



CALPEEK

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CAMPAIGN '96: CLOSING PROP. 13 LOOPHOLE.

Editor's note: Ever since Prop. 13 was overwhelmingly approved by voters in 1978, local governments have been trying to get around this law written by the late Howard Jarvis and Paul Gann. To a great extent, local governments have been successful. That's why voters will be facing what CALPEEK calls Jarvis/Gann II this coming November. Here's our update & analysis...

...Jarvis/Gann II is an attempt to close a huge loophole in the law with what backers call *The Right to Vote on Taxes Act*. The new law, if approved, will allow taxpayers to vote on all new taxes. The most common way that local government agencies (cities, counties, school districts) have gotten around Prop. 13 is to call new taxes other things --- such as "fees" and "assessments." Utility users fees (taxes) is a very common example of what we're talking about...

...The most recent example of raising taxes without a vote occurred in mid-June when the L.A. Community College Board of Trustees announced it was imposing a \$12 per year tax on homeowners (under the Landscaping & Lighting Act - 1972), which allows local government to levy "assessments" for public improvement without going to voters. The assessment will raise \$205 million. More than 1,000 property owners showed up to protest the tax hike and more than 29,000 protest letters were written to trustees --- but to no avail...

...The campaign to win passage of Jarvis/Gann II will go under the name of Protect Prop. 13 and as of now Joel Fox and Kris Vosburgh of the Howard Jarvis Taxpayers Assn. will be managing the campaign --- meaning this will be an in-house operation. The other group sponsoring Protect Prop. 13 is Paul Gann's Citizens Cmt. The qualification drive cost \$700,000 --- and for now the coalition's war chest is pretty much empty. Our

sources say there will be a budget of at least \$200,000; for slates and perhaps some radio. If the budget is bigger, then cable/broadcast TV is possible...

...Early polling (done by S.F.-based Charlton Research) showed 87% favored the Jarvis/Gann II approach. The poll was taken in late 1995, but sources think its conclusions are still valid. In addition, Jarvis/Gann II has a very easy-to-understand ballot title & summary. This, plus the outrage in L.A. Co. over the community college tax (property tax bills will hit just before the fall election), all work to the advantage of Jarvis/Gann II. There is no opposition as yet, but our sources think bond brokers, public employees and perhaps attorneys who specialize in setting up assessment districts will join forces in opposition. Stay tuned...

CAMPAIGN '96: PR & REAL PROBLEMS HURTING GOP ASSEMBLY CAUCUS AND SPEAKER PRINGLE.

Editor's note: Although they're not in power and are still trying to play catch up with their GOP rivals in fundraising, Assembly Demos are decidedly upbeat these days because it appears as though the GOP Assembly Caucus is having its problems. Here's our report & analysis...

...In politics, it's *perception* that counts. And in the case of Assembly Republicans, the voting public's perception of what's going on in the lower house is not especially good news. Let's take a look:

⊗ *Salary Hike Blues* - The recent front-page story in the L.A. Times (picked up by the wires and with nasty editorials in several major dailies around Calif.) about the recent round of huge salary increases to GOP committee consultants/staffers was **not** good news for Speaker Curt Pringle or his caucus. It wasn't that these staffers didn't deserve the pay hikes (they did), but it was the timing and the possible *illegal retroactive*

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aspects of the hikes which was so damaging. The story was kept alive for several news cycles and Pringle & Co. even got bashed by some GOP types (Joel Fox of the Howard Jarvis Taxpayers Assn.) for "business as usual." What damage was done? Our sources say the story deeply angered the GOP voting base...

⊗ ***Coastal Commission Follies*** - When Speaker Pringle appointed GOP pollster Arnie Steinberg and Patricia Randa to the Coastal Commission, he was certainly within his right to do so. But by naming this pair to the coastal panel (both of whom have had long-running fights with the commission & staff), Pringle *inflamed* the environmental community to the point that they will actively work to get Demos elected in key races. Our sources say it's not always easy to get the tree huggers off the dime, but Pringle has managed to do it with these appointments...

⊗ ***The Hardliners Harangue*** - GOP efforts to dismantle the Office of Family Planning, to kill off teen pregnancy programs, to abolish abortion funding, to permit concealed weapons and to end affirmative action are still underway and the *perception* (as well as reality) is that many members of the GOP Assembly Caucus are pushing a very hardline agenda. Demos tend to call it *extremist*, but that's overkill. Who is upset? Moderate voters, especially GOP women. And then there's the battle within the caucus between the forces of *morality vs. money* (read that as the battle over who favors & opposes legalized gaming in Calif.). This fight isn't going to disappear...

⊗ ***Pringle's Problem In Orange Co.*** - On top of everything else, Speaker Pringle has to be worried about the Allen Recall legal mess in Orange County, where Assemblyman Scott Baugh is under indictment (with two others). And 3 GOP campaign operatives, with close links to Pringle, have pleaded guilty to misdemeanor campaign violations. Not good news and it just got worse June 18th with new allegations about Baugh's use of his personal credit card. In fact, Pringle & Baugh could end up as *GOP poster boys* in the upcoming election. P.S. Remember how GOP consultants use to run photos of former Speaker Willie Brown in their campaign mailers, with nasty statements? CALPEEK sources say it's payback time and Pringle is the Demo target...

CA INITIATIVE UPDATE: WE'RE UP TO 12 MEASURES.

Editor's note: Here's the latest rundown on initiatives which have qualified for the Nov. 5th ballot...

■ ***Qualified for Nov. 5th*** - 1) Attorney fees; 2) Campaign reform (CPR); 3) CCRI; 4) Campaign reform (CALPIRG); 5) Minimum wage; 6) Securities fraud (Lerach); 7) Drunk drivers/uninsured motorists; 8) MD use of marijuana; 9) Health care (SEIU); 10) Health care (CNA); 11) Top income tax brackets; and 12) Jarvis/Gann II...

■ ***Still Being Counted*** - 13) Competitive bidding and 14) Gambling (Bragg). Sources say it will be a close call on whether these two initiatives make the Nov. 5th ballot. Worst case scenario: both measures qualify for the 1998 ballot...

■ ***NO on Health Care Campaign*** - The lead consultant on the NO side of both Health care measures will be Goddard*Claussen/1st Tuesday. In addition, the Sacto office of Stoorza, Ziegau, Metzger & Hunt will handle free media relations & some coalition building. McNally-Temple also is involved in coalition building on the NO side. For the time being, the NO side will go under the banner of *Taxpayers Against the Government Takeover*, the same umbrella group that defeated Prop. 186 in 1994...

...The SEIU/Health Access coalition initiative is now calling its measure *The HMO Patient Rights Initiative* and the committee backing this measure is now going by the name of Californians for Patient Rights(CPR). The HQs ☎(510)433-9360 and (310)441-8511...

■ ***NO Group to Fight Lerach*** - The lead consultant fighting the Securities Fraud initiative backed by attorney Bill Lerach will be Goddard*Claussen/1st Tuesday. The Sacto office of Stoorza, Ziegau, Metzger & Hunt and Braun Ketchum PR will each handle some aspects of coalition building and grassroots organizing. Anne LeGassick will be the lead fundraising consultant. The official committee name is *Taxpayers Against Frivolous Lawsuits(TAFL)*...

■ ***YES Group for Auto Insurance Reform*** - The tort reform initiative sponsored by Insurance Comm. Chuck Quackenbush(R) to stop drunk drivers and uninsured motorists from getting punitive damages in

auto accidents has hired Rex Fraiser as the cmp. mgr. and Joe Shumate as the lead consultant. The Sacto office of Stoorza, Ziegaus, Metzger & Hunt will handle free media relations, grassroots organizing and coalition building. The committee backing this initiative goes by the name of Californians for Personal Responsibility. HQ ☎(916)449-2957. Stay tuned...

L.A. CO. DA's RACE: LYNCH GOES ON THE OFFENSE.

Editor's note: It took L.A. Co. Dep. DA John Lynch about 3 months to get on track, but he's finally there and came out swinging June 19th in his campaign to unseat incumbent DA Gil Garcetti. Here's our brief update & analysis...

...50-year-old John Lynch, who has been with the L.A. Co. DA's office since 1977, still has a long way to go before his name ID catches up to the incumbent DA, but he began narrowing the gap with a well-attended introductory news conference, during which he listed 5 reasons why he felt Gil Garcetti should be replaced. They included: 1) an inconsistent 3-Strikes policy; 2) failure to win the big cases; 3) an "abysmal" family support record; 4) giving bonuses to favored deputies; and 5) an ethics problem (the appearance of playing favorites with contributors)...

...The no-holds-barred session with reporters covered both campaign related matters as well as Lynch's policy positions on a number of crime issues, ranging from the controversial 3-Strikes Law (which Lynch supports) to the O.J. Simpson case. Lynch said Garcetti, as *captain of the ship*, must take full responsibility for what happened during the murder trial of the century...

...In terms of campaign developments, Lynch said he hopes to have a warchest of between \$400,000 and \$600,000. Lynch campaign consultant Rick Taylor says they'll never be able to match Garcetti dollar-for-dollar, but the budget figure mentioned by Lynch would make them competitive. Lynch also noted that someone (probably a Garcetti operative) made a *public records demand* --- searching for anything in the DA's office with Lynch's name on it. Must be Op Research time for Garcetti's team...

...FYI: Several times Lynch was asked if he'd like to have the endorsement of former prosecutor Vince Bugliosi --- and the answer is YES. Lynch also said

he's trying to get backing from former DAs Ira Reiner, John Van de Kamp and Robert Philabosian. Bugliosi's new book - *Outrage: The Five Reasons Why O.J. Simpson Got Away with Murder* - is now on the best seller list. The book bashes the daylights out of the prosecution team and that hurts Garcetti. Stay tuned...

DOG DAYS OF SUMMER: POLITICAL SHORT TAKES.

Editor's note: Here are a few political items worth noting...

☐ Clinton Holds Big Lead in New Field Poll -

The latest Field Poll (taken 6/10 - 6/16, 719 registered voters) shows President Bill Clinton(D) holding a 23 pt. lead over GOP challenger Bob Dole --- 57% to 23%. In a 4-way match, Clinton leads Dole by a 44% to 29% margin, with Ross Perot at 13% and Ralph Nader at 8%. Pollster Mervin Fields says it's CA's strong economy which is driving Clinton's good numbers. This poll was taken *after* the Whitewater verdicts in Arkansas. FYI: Dole just finished another visit to Calif., where his scheduling was much better, but the message still needs work. He kept bashing Clinton as being no friend to CA's economy. That message is falling flat...

☐ Reform Party Convention - The L.A. Times reports that the Reform Party may hold its presidential nominating convention in So. Calif. either Aug. 9-11 (prior to the RNC convention) or just afterwards, Aug. 16-18. L.A., Long Beach, Anaheim and Pasadena are on the list as possible convention/city sites. Ross Perot has yet to make a decision on whether to run for President, but the FEC has now ruled that Perot, if he abides by FEC rules, would be eligible to get about \$30 million in federal funds. One of those conditions: he could spend no more than \$50,000 of his own money. FYI: Clinton and Dole get nearly \$62 million each...

☐ Demo Dirty Tricks??? - Dole's Sr. Calif. advisor, the savvy Ken Khachigian, just can't get Demo political operative Bob Mulholland out of his mind -- ever since '92 when Mulholland ambushed Bruce Herschensohn during the final days of that U.S. Senate campaign. To combat Mulholland and his antics(dirty tricks) in 1996, Khachigian has distributed a booklet called *A Citizen's Guide to Bob Mulholland's Dirty Tricks*. Very clever indeed, Ken. Mulholland's response: "I'm getting it framed."...

CALPEEK'S LEGAL FILE: HOT POLITICAL CASES.

Editor's note: Here's another quick update on some current legal actions...

◆ ***Lotteries & Slot Machines*** - The U.S. 9th Circuit Ct. of Appeals has made a ruling about slot machines on Indian reservations. The ruling says that lotteries generally include slot machines, unless the law says they don't. (The Crow Tribe vs. Montana Gov. Marc Racicot - 6/14/96). Someone had better take a look at CA's lottery law...

◆ ***Kaloogian Libel Suit*** - A libel suit against GOP Assemblyman Howard Kaloogian of Carlsbad is scheduled to begin June 24th --- arising out of the 1994 GOP primary. Kaloogian is being sued by Fred Clayton --- who finished 2nd to Kaloogian in '94. The legal action concerns a mailer, which Clayton's attorney says damaged his client's reputation. Kaloogian's attorney says the GOP lawmaker didn't say anything untrue. FYI: Clayton is now collecting signatures to run in the fall as an independent candidate against Kaloogian...

ASSEMBLYMAN'S LEGAL PROBLEMS GET BIGGER

The legal problems of freshman GOP Assemblyman Scott Baugh of Huntington Beach just got more complex June 18th, as the Orange Co. DA's office alleged in court papers that Baugh on 6 occasions charged \$15,010 to his credit cards last year without getting merchandise or services from Huntington Beach store owner Adel Zeidan -- the same guy who gave Baugh \$8,800 in cash contributions, which is a misdemeanor violation of the state's FPPC law. Baugh has not been charged in this latest incident and the lawmaker denies any wrongdoing. In fact, in an L.A. Times story, Baugh accuses the DA's office of a "systematic and insidious effort" to harass him. According to the credit card fraud law, merchants are not allowed get paid via credit card without giving merchandise or services to the credit card holder. In the meantime, Baugh's chief-of-staff, Maureen Werft, had her June 17th trial (on two felony counts of illegally voting in the Allen Recall election) postponed to Sept. 16th. FYI: correction from last week on our *Photo from Hell* blurb. The Baugh booking photo was released on orders from Judge David Carter, not Judge James Smith. Stay tuned...

NEW JOBS, ADDRESSES AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

● After 11 years as editor of the *Calif. Journal*, Richard Zeiger joins APCO Assoc./Sacto as a VP...

● Nelson Communications Group execs Donna Lucas, Larry Tenney, Tom Wilck, Rick Manter and Karen Hutchens have purchased majority interest in the CA-based firm from Bob Nelson. Nelson's still with the firm and is a major shareholder as well. Lucas will be president & CEO. She's also changing the name of her Sacto firm from Nelson & Lucas to Nelson Communications...

● Edelman Public Relations Worldwide has promoted Sr. VP John Stodder to CA Statewide Director of Public Affairs. In addition, Monique Moret has joined the firm's L.A. office as a Sr. AE in the PA Division...

● The BIA of No. Calif. has changed its name to Home Builders Assn. of No. Calif....

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